GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:1536
ANSWERED ON:27.02.2003
IMPACT OF LOWER IMPORT DUTY ON COAL BASED THERMAL POWER PLANTS
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Will the Minister of POWER be pleased to state:

(a) the details of the countries from where coal is imported for the thermal power plants; and

(b) the details about the import duty on coal and its impact on the coal based thermal power plants?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) : Thermal power plants generally import coal from Australia, China, Indonesia and South Africa.

(b) : The current duty (during 2002-2003) on import of non-coking coal used by thermal power plants is as under :

Present import duty structure for non-cocking coal

Type of Coal	Basic Duty	Other Duties including Special Additional Duty	Total (Effective)
Non-Coking Coal	25%	5%	30%

Due to non-availability of adequate high grade coal indigenously for power sector and especially in context of use of coal with ash content not exceeding 34% by identified power plants and in order to comply with Ministry of Environment and Forests` notification with effect from 1st June, 2002, import of low ash coal for blending with indigenous high ash content coal has become necessary. Thermal power plants situated in coastal areas may use imported coal for blending purposes due to high landed cost of indigenous coal. However, due to high custom duty, imported coal becomes costly resulting in increase of cost of power generation.